

2009, and stable and sustainable growth rate in payment from 2010 and into the future.

2. Makes available incentive payments for increased quality reporting and implementation of health information technology.

3. Provides annual reports to physicians on billing patterns under Medicare.

4. Provides an annual report to Medicare beneficiaries on annual Medicare expenditures.

5. Mandates a study on whether quality reporting requirements on health care disparities.

AMENDMENT TO H.R. 3162, AS REPORTED [BY THE COMMITTEE ON WAYS AND MEANS] OFFERED BY MR. BURGESS OF TEXAS
(CHAMP amendment)

Strike sections 301, 302, 303, 304, and 307, and insert the following sections (and redesignate sections 305 and 306 accordingly):

SEC. 301. RESETTling TO 2007 THE BASE YEAR FOR APPLICATION OF SUSTAINABLE GROWTH RATE FORMULA; ELIMINATION OF SUSTAINABLE GROWTH RATE FORMULA IN 2010.

(a) IN GENERAL.—Section 1848(d)(4) of the Social Security Act (42 U.S.C. 1395w-4(d)(4)) is amended—

(1) in paragraph (4)—

(A) in subparagraph (B), by striking “subparagraph (D)” and inserting “subparagraphs (D) and (G)”; and

(B) by adding at the end the following new subparagraph:

“(G) REBASING TO 2007 FOR UPDATE ADJUSTMENTS BEGINNING WITH 2008.—In determining the update adjustment factor under subparagraph (B) for 2008 and 2009—

“(i) the allowed expenditures for 2007 shall be equal to the amount of the actual expenditures for physicians’ services during 2007;

“(ii) subparagraph (B)(ii) shall not apply to 2008; and

“(iii) the reference in subparagraph (B)(ii)(I) to ‘April 1, 1996’ shall be treated, beginning with 2009, as a reference to ‘January 1, 2007.’”; and

(2) by adding at the end the following new paragraph:

“(8) UPDATING BEGINNING WITH 2010.—The update to the single conversion factor for each year beginning with 2010 shall be the percentage increase in the MEI (as defined in section 1842(i)(3)) for that year.”.

(b) CONFORMING SUNSET.—Section 1848(f)(1)(B) of such Act is amended by inserting “(ending with 2008)” after “each succeeding year”.

SEC. 302. QUALITY INCENTIVES.

(a) EXTENSION OF CURRENT QUALITY REPORTING SYSTEM AND TRANSITIONAL BONUS INCENTIVE PAYMENTS FOR 2008 AND 2009.—

(1) EXTENSION OF QUALITY REPORTING SYSTEM THROUGH 2009.—Section 1848(k) of the Social Security Act (42 U.S.C. 1395w(k)) is amended—

(A) in the heading of paragraph (2)(B), by inserting “AND 2009” after “2008”; and

(B) in paragraphs (2)(B) and (4), by inserting “and 2009” after “2008” each place it appears.

(2) EXTENSION OF AND INCREASE IN BONUS PAYMENTS FOR 2008 AND 2009.—Section 101(c) of the Medicare Improvement and Extension Act of 2006 (division B of Public Law 109-432) is amended—

(A) in the heading, by inserting “, 2008, AND 2009” after “2007”; and

(B) in paragraph (1), by inserting “(or 3 percent in the case of reporting periods beginning after December 31, 2007)” after “1.5 percent”;

(C) in paragraph (4), by striking “single consolidated payment.” and inserting “single consolidated payment for each reporting

period. Such payment shall be made for a reporting period within 30 days after the date that required information has been submitted with respect to claims for such period.”; and

(D) in paragraph (6)(C), by striking “the period beginning on July 1, 2007, and ending on December 31, 2007” and inserting “each of the five consecutive 6-month periods beginning on July 1, 2007, and ending on December 31, 2009”.

(b) ESTABLISHMENT OF NEW QUALITY INCENTIVE SYSTEM EFFECTIVE IN 2010.—

(1) IN GENERAL.—Section 1848 of the Social Security Act (42 U.S.C. 1395w) is amended by striking subsection (k) and inserting the following:

“(k) PHYSICIAN QUALITY INCENTIVE SYSTEM.—

“(1) IN GENERAL.—The Secretary shall establish a reporting system (in this subsection referred to as the ‘Physician Quality Incentive System’ or ‘System’) for quality measures relating to physicians’ services that focuses on disease-specific high cost conditions. Not later than January 1, 2010, the Secretary shall—

“(A) identify the 10 health conditions that have the highest proportion of spending under this part, due in part to a gap in patient care, and for which reporting measures are feasible; and

“(B) adopt reporting measures on these conditions, based on measures developed by the Physician Consortium of the American Medical Association.

“(2) ADD-ON PAYMENT.—

“(A) IN GENERAL.—The Secretary shall provide, in a form and manner specified by the Secretary, for a bonus or other add-on payment for physicians that submit information required on the conditions identified under paragraph (1).

“(B) AMOUNT.—Such a bonus or add-on payment shall be equal to 1.0 percent of the payment amount otherwise computed under this section.

“(C) TIMELY PAYMENTS.—Such a payment shall be made, with respect to information submitted for a month, by not later than 30 days after the date the information is submitted for such month.

“(D) DEDUCTIBLE AND COINSURANCE NOT APPLICABLE.—Such payment shall not be subject to the deductible or coinsurance otherwise applicable to physicians’ services under this part.

“(E) USE OF REGISTRY.—In carrying out subparagraph (A), the Secretary shall allow the submission of the required information through an appropriate medical registry identified by the Secretary.

“(3) MONITORING.—The Secretary shall monitor and report to Congress on an annual basis physician participation in the Physician Quality Incentive System, administrative burden encountered by participants, barriers to participation, as well as savings accrued to the Medicare program due to quality care improvements based on measures established under the Physician Quality Incentive System.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to payment for physicians’ services for services furnished in years beginning with 2010.

SEC. 303. HEALTH INFORMATION TECHNOLOGY (HIT) PAYMENT INCENTIVE.

Section 1848 of the Social Security Act is amended by adding at the end the following new subsection:

“(m) HEALTH INFORMATION TECHNOLOGY PAYMENT INCENTIVES.—

“(1) STANDARDS.—Not later than January 1, 2008, the Secretary shall create standards for the certification of health information technology used in the furnishing of physicians’ services.

“(2) ADD-ON PAYMENT.—The Secretary shall provide for a bonus or other add-on payment for physicians that implement a health information technology system that is certified under paragraph (1). Such a bonus shall be equal to 3.0 percent of the payment amount otherwise computed under this section, except that—

“(A) in no case may total of such bonus and the bonus provided under subsection (k)(2) exceed 6 percent of such payment amount; and

“(B) such payments with respect to a physician shall only apply to physicians’ services furnished during a period of 36 consecutive months beginning with the first day of the first month after the date of such certification.

The bonus payment under this paragraph shall not be subject to the deductible or coinsurance otherwise applicable to physicians’ services under this part.”.

SEC. 304. INFORMATION FOR PHYSICIANS ON MEDICARE BILLINGS.

(a) IN GENERAL.—Section 1848 of the Social Security Act, as amended by section 201, is further amended by adding at the end the following new subsection:

“(n) ANNUAL REPORTING OF INFORMATION TO PHYSICIANS.—

“(1) IN GENERAL.—The Secretary shall annually report to each physician information on total billings by the physician (including laboratory tests and other items and services ordered by the physician) under this title. Such information shall be provided in a comparative format by code, weighting for practice size, number of Medicare patients treated, and relative number of Medicare beneficiaries in the geographical area.

“(2) CONFIDENTIALITY.—Information reported under paragraph (1) is confidential and shall not be disclosed to other than the physician to whom the information relates.”.

(b) EFFECTIVE DATE.—The Secretary of Health and Human Services shall first provide for reporting of information under the amendment made by subsection (a) for billings during 2007.

SEC. 305. INFORMATION FOR BENEFICIARIES ON MEDICARE EXPENDITURES.

(a) IN GENERAL.—Section 1804 of the Social Security Act is amended by adding at the end the following new subsection:

“(d) ANNUAL REPORT ON INDIVIDUAL RESOURCE UTILIZATION.—The Secretary shall provide for the reporting, on an annual basis, to each individual entitled to benefits under part A or enrolled under part B, on the amount of payments made to or on behalf of the individual under this title during the year involved. Such information shall be provided in a format that compares such amount with the average per capita expenditures in the region or area involved.”.

(b) EFFECTIVE DATE.—The Secretary of Health and Human Services shall first provide for reporting of information under the amendment made by subsection (a) for payments made during 2007.

SEC. 306. COLLECTION OF DATA ON MEDICARE SAVINGS FROM PHYSICIANS’ SERVICES DIVERSION.

(a) IN GENERAL.—The Secretary of Health and Human Services shall collect data on annual savings in expenditures in the Medicare program due to physicians’ services that resulted in hospital or in-patient diversion.

(b) REPORT.—The Secretary shall transmit to Congress annually a summary of the data collected under subsection (a).

SEC. 307. STUDY OF REPORTING REQUIREMENTS ON HEALTH CARE DISPARITIES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall provide for a study of health care disparities in high-risk health